

elect a Living Benefit on behalf of the insured individual.

(h) An insured individual who has elected a Living Benefit under subpart K of this part may assign the remainder of his/her insurance. The assignment would affect Option A, Option B, and, for an employee who elected a partial Living Benefit, Basic insurance.

**§ 870.902 Making an assignment.**

To assign insurance, an insured individual must complete an approved assignment form. Only the insured individual may make an assignment; no one can assign on behalf of an insured individual. The individual must submit the completed and signed form to the employing office indicating the intent to irrevocably assign all ownership of the insurance; the form must also be signed by 2 witnesses. (Assignments submitted prior to November 28, 1986, were accepted without an approved assignment form.)

**§ 870.903 Effective date of assignment.**

An assignment under this subpart is effective on the date the employing office receives the properly completed, signed, and witnessed assignment form.

**§ 870.904 Amount of insurance.**

The amount of insurance is the amount of the insured individual's Basic insurance, plus any Option A and Option B coverage.

**§ 870.905 Withholdings.**

Premium withholdings for assigned insurance are withheld from the salary, annuity, or compensation of the insured individual, as provided in subpart D of this part.

**§ 870.906 Cancellation of insurance.**

(a) The right to cancel (or reduce) insurance transfers to the assignee; the insured individual cannot cancel (or reduce) insurance after making an assignment.

(b) The assignee has the right to cancel insurance according to the provisions of §§ 870.502 and 870.505. When there is more than one assignee, all assignees must agree to the cancellation. A cancellation of Basic insurance also cancels all Optional insurance.

**§ 870.907 Termination and conversion.**

(a) Assigned insurance terminates under the conditions stated in subpart F of this part.

(b)(1) When an insured individual's insurance terminates, an assignee has the right to convert all or part of the group insurance to an individual policy on the insured individual. The conditions stated in subpart F of this part apply to assignees who elect to convert.

(2) When there is more than one assignee, each assignee has the right to convert all or part of his/her share of the insurance. Any assignee who doesn't convert loses all ownership of the insurance.

(3) When there is more than one assignee, the maximum amount of insurance each assignee will be able to convert is determined by the dollar amount corresponding to the assignee's share of the total insurance. This amount will be rounded up to the next higher thousand, if it's not already an even thousand dollar amount.

(4) Premiums for converted life insurance are based on the insured individual's age and class of risk at the time the conversion policy is issued.

(5) The employing office must notify each assignee of the conversion right at the time the assigned group insurance terminates.

(c) The assignment terminates 31 days after the insurance terminates, unless the insured individual is reemployed in or returns to a position in which he/she is entitled to coverage under this chapter within 31 days after the insurance terminates.

**§ 870.908 Annuitants and compensationers.**

(a) If an employee assigns Basic insurance and later becomes eligible to continue such insurance coverage as an annuitant or compensationer as provided in § 870.701:

(1) At the time he/she retires or becomes eligible as a compensationer, the insured individual may elect unreduced or partially reduced insurance coverage as provided in § 870.702(a). This right remains with the insured individual and does not transfer to the assignee. Exception: if the insured individual elected a partial Living Benefit